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Financing of the United Nations Observer Mission in Georgia

Financing of the United Nations Observer Mission in Georgia

Report of the Secretary-General

Summary

The present report provides details on the final disposition of the assets of the United Nations Observer Mission in Georgia, with a total inventory value of $22,710,000 as at 1 July 2009. The disposition of the assets was undertaken in accordance with regulation 5.14 of the Financial Regulations and Rules of the United Nations.

Summary of the final disposition of the assets of the United Nations Observer Mission in Georgia

(Thousands of United States dollars)

Category	*Inventory value*	*Percentage*
Group I: transferred to other missions or for temporary storage at the United Nations Logistics Base at Brindisi, Italy	10 734.6	47.3
Group II: disposed of in the mission area		
Transferred to the Office of the United Nations High Commissioner for Refugees in Georgia	3 667.1	16.1
Sold	3 000.1	13.2
Group III: written off/lost	5 308.2	23.4
Total	**22 710.0**	**100.0**

The action to be taken by the General Assembly is set out in paragraph 9 of the present report.

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I. Introduction

1. The mandate of the United Nations Observer Mission in Georgia (UNOMIG) was established by the Security Council in its resolution 858 (1993), expanded in its resolution 937 (1994) and extended until 15 June 2009 in its resolution 1866 (2009). The mandate was not extended beyond that date.

2. The present report provides details on the final disposition of the assets of UNOMIG as at 31 October 2009, undertaken in accordance with regulation 5.14 of the Financial Regulations and Rules of the United Nations.

II. Classification and disposition of the assets of the United Nations Observer Mission in Georgia

3. The process of liquidating the assets of UNOMIG was guided by the following principles and policies contained in financial regulation 5.14:

(a) Equipment in good condition that conforms to established standardization or is considered compatible with existing equipment will be redeployed to other peacekeeping operations or will be placed in reserve to form start-up kits for use by future missions;

(b) Equipment not required for current or future peacekeeping operations may be redeployed to other United Nations activities funded from assessed contributions, provided that there is a demonstrated need for the equipment;

(c) Equipment not required for current or future peacekeeping operations or other United Nations activities funded from assessed contributions but which may be useful for the operations of other United Nations agencies, international organizations or non-governmental organizations will be sold to such agencies or organizations;

(d) Any equipment or property not required or which it is not feasible to dispose of in accordance with subparagraphs (a), (b) or (c) above or which is in poor condition will be subject to commercial disposal in accordance with the procedures applicable to other United Nations equipment or property;

(e) Any assets which have been installed in a country and which, if dismantled, would set back the rehabilitation of that country shall be provided to the duly recognized Government of that country in return for compensation in a form to be agreed by the Organization and the Government. This refers in particular to airfield installations and equipment, buildings, bridges and mine-clearing equipment. Where such assets cannot be disposed of in this manner or otherwise, they will be contributed free of charge to the Government of the country concerned. Such contributions require the prior approval of the General Assembly.

4. The assets of UNOMIG, with a total inventory value as at 1 July 2009 of $22,710,000 and a corresponding residual value of $7,599,600, have been grouped into 14 categories: accommodation equipment, communications equipment, data-processing equipment, generators, medical equipment, mine-clearing equipment, miscellaneous equipment, observation equipment, office equipment, petrol tanks and metering equipment, prefabricated buildings, refrigeration equipment, security equipment and vehicular equipment.

5. In accordance with the principles and policies recalled in paragraph 3 above, the assets of UNOMIG have been placed into three groups (see table 1).

Table 1
Summary of the final disposition of the assets of the United Nations Observer Mission in Georgia
(Thousands of United States dollars)

Category	*Inventory value*	*Percentage*
Group I: transferred		
Transferred to other missions or for temporary storage at the United Nations Logistics Base at Brindisi, Italy	10 734.6	47.3
Group II: disposed of in the mission area		
Transferred to the Office of the United Nations High Commissioner for Refugees in Georgia	3 667.1	16.1
Sold	3 000.1	13.2
Group III: written off/lost		
Written off	5 251.0	23.1
Lost	57.2	0.3
Total	**22 710.0**	**100.0**

6. Group I includes assets identified as meeting the requirements of peacekeeping operations or United Nations activities funded from assessed contributions. The items in this group, with an inventory value of $10,734,600 (47.3 per cent of the total asset value) and a residual value of $3,980,400, have been transferred to other United Nations missions and the United Nations Logistics Base at Brindisi, Italy, for temporary storage pending future use.

7. Group II includes assets disposed of locally with an inventory value of $6,667,200, representing 29.3 per cent of the total asset value. This group comprises assets transferred to the Office of the United Nations High Commissioner for Refugees in Georgia with an inventory value of $3,667,100 and a residual value of $1,106,900, as well as assets disposed of through commercial sale to private companies and individuals, with an inventory value of $3,000,100 and a residual value of $821,900. The amount of $363,700, representing the proceeds of the sale, was credited as miscellaneous income to the UNOMIG special account (see table 2).

Table 2
Assets disposed of locally
(Thousands of United States dollars)

	Inventory value	*Residual value*	*Sale value*
Transferred to the Office of the United Nations High Commissioner for Refugees in Georgia	3 667.1	1 106.9	
Sold	3 000.1	821.9	363.7
Total	**6 667.2**	**1 928.8**	**363.7**

8. The assets in group III have a total inventory value of $5,308,200, representing 23.4 per cent of the total asset value, and a residual value of $1,690,400. The assets have been written off mainly as a result of accidents, damage caused by natural elements, faulty equipment or normal wear and tear, or because it was not economical to repair them (see table 3).

Table 3
Assets written off or lost
(Thousands of United States dollars)

Category	*Inventory value*	*Residual value*
Written off		
Accident and damage	175.0	68.9
Faulty	189.9	77.7
Normal wear and tear and regular life cycle activity	4 175.7	1 311.4
Not economical to repair	617.8	176.3
Other[a]	92.6	29.1
Subtotal	**5 251.0**	**1 663.4**
Lost	57.2	27.0
Total	**5 308.2**	**1 690.4**

[a] Including theft, hostile action and surplus equipment.

III. Action to be taken by the General Assembly

9. **The General Assembly is requested to take note of the present report on the final disposition of the assets of UNOMIG.**